

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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Washington, D. C.

September 9, 1950

Changes in Area of Production Definition To Be Considered

With a view toward lessening "competitive inequalities" arising from the present definition of "area of production" under the Fair Labor Standards Act, the Wage-Hour Administrator will consider proposals for changes in that definition.

This was announced in a notice published in the *Federal Register* of September 7 and signed by the Administrator, William R. McComb. A portion of the notice is quoted:

"Representations have recently been made that in particular instances substantial economic discrimination exists as between establishments which meet the requirements of the present definitions and those that do not. In addition, several specific proposals have been received, urging that changes be made in the present definitions to lessen the competitive inequalities that result from this provision of the law.

"In view of the representations and requests for redefinition which have been made, particularly since the minimum wage was increased to 75 cents an hour, I have decided to receive and give consideration at this time to specific proposals for changes in the definitions. The purpose of the proposed reconsideration is to attempt to develop a definition which will minimize competitive inequalities and still be in accord with the statutory language and the opinion of the Supreme Court. All proposals received will be studied with a view to holding a public hearing at a later date.

"Proposals for changes in the definitions should be addressed to Mr. Wm. R. McComb, Administrator, Wage and Hour and Public Contracts Divisions, Department of Labor Building, Washington 25, D. C. To the extent possible, the proposals should be accompanied by supporting information, including a statement indicating the results which would be achieved if the changes were incorporated in the regulations. The proposals and accompanying statements should be received by the Administrator before October 10, 1950.

"Until such time as any revised regulations may become effective, the present definitions of 'area of production' will, of course, remain in effect."

Defense Production Act of 1950

"The Defense Production Act of 1950" was signed into law by President Truman on September 8.

The impact of this Act remains to be determined when and as the President begins to exercise any of the powers conferred upon him. Although a number of the provisions of the Act parallel language enacted for price control and stabilization purposes during the war years 1942-1945, the new war powers legislation is an organic whole, its provisions undoubtedly will be interpreted in relation to each other and to current Congressional considerations and not necessarily by reference to comparable language in earlier statutes.

A section-by-section analysis, beginning on page 272, illuminates the scope of the Act.

Tax Increase Bill

The Senate on September 1 passed and sent to the House H. R. 8920, increasing personal and corporate tax rates, only after writing into the bill the George-Millikin compromise relating to an excess profits tax. The amendment is quoted:

"(a) The House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to the respective Houses of Congress during the first session of the Eighty-second Congress, and as early as practicable during said session, a bill for raising revenue by the levying, collection, and payment, of corporate excess-profits taxes with retroactive effect to October 1, or July 1, 1950, said bill to originate as required by Article I, Section 7, of the Constitution.

"(b) The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and complete study of the problems involved in the taxation of excess profits accruing to corporations as the result of the national defense program in which the United States is now engaged. The joint committee shall report the results of its study to the House Committee on Ways and Means and the Senate Committee on Finance as soon as practicable."

N.C.A. To Present Evidence At FDA Hearing on Tolerances

The final phase of taking testimony in the Food and Drug Administration hearing to establish tolerances for insecticides and fungicides on fresh fruits and vegetables will commence on September 11. As testimony has been offered under each of the previous sections of the hearing, a complete summary has appeared in the INFORMATION LETTER.

Bernard Levinson, the hearing officer, announced that this final phase under Part E which covers all matters not heretofore covered will be divided into four sections:

(1) As to amending 21 C. F. R. 1944 Supp. 120.1 et seq. (quantity of fluorine remaining as spray residue on apples and pears).

(2) Relevant matters not heretofore covered at the hearing.

(3) Additional residue data.

(4) Additional testimony on any phase of the hearing which is deemed necessary or desirable in view of developments at the hearing.

The National Canners Association expects to present some very brief testimony under the third section merely to supplement residue data on green beans and apricots that has been already placed in the record. Charles Tressler of the N.C.A. Washington Research Laboratory will present this testimony. Under Part 4

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N.C.A. Invited To Assist In House Insecticide Study

In response to an invitation by the Select House Committee to Investigate the Use of Chemicals in Food Products to present data pertinent to its investigation, the N.C.A. has written that "by and large, the problems which have attracted public attention with respect to the use of chemicals in foods do not arise in connection with canned foods."

The special House committee, headed by Representative Delaney (N.Y.), presently is organizing its investigation

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CONGRESS

Social Security Bill

The INFORMATION LETTER of August 26 contained a summary of the social security bill as it went to the President. In delineating the scope of the exemption for agricultural labor, the following paragraph was included:

"Services performed in connection with the production or harvesting of agricultural commodities are exempt without regard to the amount of wages earned or the number of days worked in the calendar quarter."

A correction of this statement is necessary. The paragraph should have read:

"Services performed in connection with the production or harvesting of agricultural commodities as defined in section 15(g) of the Agricultural Marketing Act are exempt without regard to the amount of wages earned or the number of days worked in the calendar quarter."

The reference to section 15(g) of the Agricultural Marketing Act was intended to extend the exemption only to services performed in connection with the production or harvesting of crude gum (oleoresin). Services performed in connection with the production or harvesting of other agricultural commodities are not exempt.

The "Social Security Act Amendments of 1950" was signed by the President on August 28 and now is P. L. 734.

Invitations for Bids

Canners desiring to receive invitations for bids may get on the mailing list to receive them by writing the following purchasing offices and listing the products on which they desire to bid:

★ Quartermaster Purchasing Offices—1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

Purchase Division, Federal Supply Service, General Services Administration, 7th and D Streets, S. W., Washington 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

TOMATO JUICE—quantities in No. 2 cans. Bids due in Chicago by Sept. 11 (QM-11-009-51-433).

CORN—quantities in No. 10 and No. 2 cans. Bids due in Chicago by Sept. 12 (QM-11-009-51-378).

HAM CHUNKS—quantities in 86-oz. cans. Bids due in Chicago by Sept. 12 (QM-11-009-51-463).

BACON—quantities in 24-oz. cans. Bids due in Chicago by Sept. 12 (QM-11-009-51-464).

TOMATOES—quantities in No. 10 cans. Bids due in Chicago by Sept. 18 (QM-11-009-51-431).

TOMATO JUICE—quantities in 46-oz. cans. Bids due in Chicago by Sept. 19 (QM-11-009-51-379).

TOMATOES—quantities in No. 10 or No. 2½ or No. 2 cans. Bids due in Chicago by Sept. 19 (QM-11-009-51-390).

LIMA BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Sept. 19 (QM-11-009-51-434).

LIMA BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Sept. 20 (QM-11-009-51-385).

LIMA BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Sept. 20 (QM-11-009-51-426).

PEAS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Sept. 21 (QM-11-009-51-389).

ASPARAGUS—quantities in No. 2 cans. Bids due in Oakland by Sept. 21 (QM-04-493-51-65).

FRUITS—quantities of fruit cocktail, pears, plums, and peaches in No. 10 cans, and figs in No. 2½ cans. Bids due in Oakland by Sept. 21 (QM-04-493-51-65).

PINEAPPLE AND PINEAPPLE JUICE—quantities of pineapple in No. 10 cans and of pineapple juice in No. 3 cyl. cans. Bids due in Oakland by Sept. 22 (QM-04-493-51-67).

REF CHERRIES—quantities in No. 10 cans. Bids due in Oakland by Sept. 22 (QM-04-493-51-68).

PINEAPPLE—quantities in No. 10 and No. 2 cans. Bids due in Oakland by Sept. 25 (QM-04-493-51-85).

CATFISH—quantities in 14-oz. bottles. Bids due in Chicago by Sept. 26 (QM-11-009-51-387).

PLUMS—quantities in No. 10 and No. 2½ cans. Bids due in Oakland by Sept. 29 (QM-04-493-51-72).

BEETS—quantities in No. 10 and No. 2½ cans. Bids due in Chicago by Oct. 2 (QM-11-009-51-314).

BLUEBERRIES—quantities in No. 10 and No. 2 cans. Bids due in Oakland by Oct. 2 (QM-04-493-51-73, -74).

APPLESAUCE—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Oct. 3 (QM-11-009-51-432).

APPLESAUCE—quantities in No. 10 cans. Bids due in Chicago by Oct. 3 (QM-11-009-51-436).

APPLES—quantities in No. 10 and No. 2 cans. Bids due in Chicago by Oct. 5 (QM-11-009-51-438 and -437).

The Veterans Administration has invited sealed bids to furnish the following:

ORANGE MARMALADE—quantities in No. 10 cans. Bids due by Sept. 25 (S-69).

CHERRY SAUCE—quantities in No. 10 cans. Bids due by Sept. 25 (S-69).

PUMPKIN—quantities in No. 10 cans. Bids due by Sept. 27 (S-73).

MARASCHINO CHERRIES—quantities in one-gallon and one-half gallon jars. Bids due by Sept. 28 (S-75).

QMC Mailing Lists

If a supplier fails to respond to three consecutive QMC invitations for bids, it is assumed that he is no longer interested and his name is automatically deleted from the bidders' mailing list, according to a statement issued by the Chicago Quartermaster Purchasing Office.

FOREIGN TRADE

Indirect Export Selling

As one step in its effort to dispel a common belief among businessmen that exporting is both too complicated and expensive a field for them to enter, the Economic Cooperation Administration has issued a "Guide for the Prospective Exporter."

According to ECA, "it is quite possible to do an export business without incurring the expenses involved in opening an export department, and all the overhead connected therewith."

The various means for conducting export business indirectly are set forth in pages 18-21 of the guide; and as an aid to small business the ECA has reprinted these pages in a pamphlet entitled "Indirect Selling in Foreign Markets." Copies are available upon request to the Office of Small Business, Economic Cooperation Administration, Washington 25, D. C.

Forthcoming Meetings

September 21-23—U. S. Wholesale Grocers Association, Inc., Fall Meeting, The Greenbrier, White Sulphur Springs, W. Va.

September 27-29—Texas Canners Association, Annual Convention, Andra Hotel, Monterrey, Mexico

October 19-21—Florida Canners Association, 19th Annual Meeting, Palm Beach Biltmore Hotel, Palm Beach

November 10—Osark Canners Association, Fall Meeting, Ward Hotel, Fort Smith, Ark.

November 13-14—Wisconsin Canners Association, 46th Annual Convention, Schroeder Hotel, Milwaukee

November 15-16—Grocery Manufacturers of America, Inc., Annual Meeting, Waldorf-Astoria Hotel, New York City

November 16-17—Indiana Canners Association, Annual Convention, Claypool Hotel, Indianapolis

November 20-21—Michigan Canners Association, Fall Meeting, Pantlind Hotel, Grand Rapids

November 20-21—Pennsylvania Canners Association, 36th Annual Meeting, Penn Harris Hotel, Harrisburg

November 20-21—Iowa-Nebraska Canners Association, Annual Convention, Hotel Savery, Des Moines

November 27—Illinois Canners Association, Annual Fall Meeting, Bismarck Hotel, Chicago

December 5-6—Tri-State Packers Association, Annual Convention, Haddon Hall, Atlantic City, N. J.

December 7-8—Association of New York State Canners, Inc., Annual Meeting, Hotel Statler, Buffalo

December 12—Minnesota Canners Association, 44th Annual Meeting, Hotel Radisson, Minneapolis

December 12-13—Ohio Canners Association, Annual Convention, Deshler-Wallick Hotel, Columbus

February 13-14—Canadian Food Processors Association, Annual Convention, Ritz-Carlton Hotel, Montreal

TAXES

Taxes on Farm Real Estate

Taxes levied on farm real estate by state and local governments in 1949 (payable largely in 1950) were at new record levels for the United States as a whole, it is reported by the Bureau of Agricultural Economics, USDA.

The total amount of such levies is estimated by BAE at \$699,000,000 compared with \$651,000,000 in 1948 and \$600,000,000 in 1947. Before that time, according to BAE, the largest amount levied in any year was \$567,000,000 in 1929.

Expressed as a per acre figure, the 1949 levies amounted to \$0.61, which is well above the average of \$0.57 reported for 1948 and above the previous high of \$0.58 in 1928 and 1929. The index of taxes per acre (1909-13=100) reached 296 in 1949 compared with 275 in 1948 and 281 in 1929. Related to the full value of farm real estate, the 1949 tax levies amounted to \$1.10 per \$100. In 1948 they were \$1 per \$100 after being as low as \$0.90 in 1945 and 1946.

House Insecticide Study

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tion as directed by H. Res. 323 (see INFORMATION LETTER of July 20, page 237). The committee was created to investigate the effect of the use of chemicals in the production of food products, the effect of the use of pesticides and insecticides with respect to food products, and the effect of the use of chemicals in the manufacture of fertilizer.

Representative Delaney last week invited the N.C.A. to present information related to the investigation. The N.C.A. has responded as follows:

"Thank you very much indeed for your letter of August 31, 1950, relating to the work of the select committee pursuant to House Resolution 323. You may be assured of the full cooperation of this Association in connection with your work.

"It is not, however, at all clear to us at present as to the extent to which we may be of assistance. The Association and none of its laboratories or staff concern themselves with the utilization of fertilizers or fertilizing materials. Our research laboratories, moreover, do not engage directly in toxicological investigations, but are principally engaged in pure and applied research in processing techniques related to the sterilization of food, and in the investigation of

spoilage organisms which, except in isolated and now thoroughly investigated instances, do not have any toxicological aspects. By and large, the problems which have attracted public attention with respect to the use of chemicals in foods do not arise in connection with canned foods.

"Possibly the only area in which we have data which might be of some use to the committee is in connection with spray residues currently under administrative inquiry by the Food and Drug Administration. We have some data on spray residues which we are furnishing to the Food and Drug Administration in the course of its inquiry. We assume that the committee staff will have access to these public records which will contain this material, but we shall, if the committee desires, furnish it with copies of what we are shortly to present to the Food and Drug Administration."

PERSONNEL

Dulany Appoints Wegner

The appointment of Albert Wegner as sales manager of the Canned Foods Division of John H. Dulany & Son, Fruitland, Md., is announced by Ralph O. Dulany, president. Mr. Wegner formerly was with Stokely-Van Camp of Indianapolis, and also has been associated with Walt Wegner Foods, Cooperative G. L. F. Farm Products.

New Association Members

The following firms have been admitted into membership in the N.C.A. since July 15, 1950:

BOESMAN CANNING CO., INC., P. O. Box 348, Boesman, Mont. *Product*—Pean. *Officers*—Jack C. Lovelace, president and general manager; Roy L. Spain, vice president and production manager; Winifred Lovelace, secretary and treasurer; Robert Lyon, plant manager.

BUFFALO FROSTED FOODS, INC., 180 East Main St., Fredonia, N. Y. *Products*—Green and wax beans, grapes, raspberries, strawberries, tomatoes. *Officers*—Joseph F. Catalano, president; Louis Dimarco, treasurer; Louis A. Catalano, secretary.

FETTIG CANNING CORPORATION, P. O. Box 75, Elwood, Ind. *Factories*—Curtisville, Elwood, Point Isabel, Upland. *Products*—Catsup, tomatoes. *Officers*—Paul J. Fettig, president; Bernard Fettig, vice president; E. C. Fettig, secretary-treasurer.

NAWELIWI CANNING COMPANY, LTD., Nawiliwili, Kauai, T. H. *Product*—Tuna. *Officers*—Samuel Wilcox, president; Henry McK. Haserot, vice president; Thomas D. King, treasurer.

PATIO FOODS, INC., Rt. 12, Box 379, San Antonio, Tex. *Products*—Enchiladas, menudo (beef tripe) with hominy and chili, tamales. *Officers*—H. E. Stumberg, Sr., president; H. E. Stumberg, Jr., treasurer; Louis H. Stumberg, secretary.

SUPPLIES

Shipments of Glass Containers

Shipments of 9,305,566 gross of glass containers in July were virtually equal to June shipments of 9,343,593 gross but 18 percent greater than the 7,918,226 gross shipped during July of last year, according to a report by the Bureau of the Census, U. S. Department of Commerce.

Shipments of selected glass containers during June and July, 1950, and July, 1949, are reported as follows:

	June 1950	July 1950	July 1949
	(quantities expressed in gross)		
Narrow-neck:			
Food.....	818,773	843,814	748,423
Beverage, non- returnable..	27,904	21,387	8,831
Wide-mouth:			
Food.....	2,259,039	2,351,612	1,915,640
Jelly glasses..	30,414	(a)	21,249

(a) Figures for jelly glasses are combined with those for wide-mouth food containers to avoid disclosing figures for individual companies.

FDA Hearing on Tolerances

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the Association will present studies conducted in the Laboratory on the possibility of off-flavor in processed foods resulting from the use of insecticides and fungicides.

In addition, it is expected that one or two witnesses from state experimental stations will present testimony on the same subject.

It is probable that the hearing will conclude on September 15.

PUBLICATION

Plant Protection Measures

Steps that should be taken by industry to protect plants against damage by an enemy are suggested in a guide for industrial use issued by the Munitions Board. The booklet, "Principles of Plant Protection," is available from the Government Printing Office for 15 cents a copy.

The booklet includes suggestions for dealing with disaster relief and damage control in order to avoid panic, carry out rescue and first aid activities, fight fires, and control other forms of damage and get the plant back in operation as soon as possible.

The Defense Production Act of 1950

Following is a section-by-section analysis of "The Defense Production Act of 1950":

Priorities and Allocations

Title I of the Act authorizes the President to assign priority to contracts or orders "which he deems necessary or appropriate to promote the national defense," by requiring businessmen to accept and perform such contracts or orders in preference to any other contracts. The President is also empowered under this Title to allocate materials and facilities whenever he deems it necessary or appropriate in the interests of national defense.

Comment: The powers granted under this Title are generally considered broad enough to cover the issuance of mandatory set-aside orders or to permit allocations and priorities in production only indirectly related to the national defense. It is also broad enough to empower the President to ration goods at the consumer level.

The Senate bill provided that the priorities and allocation powers should be exercised only by the Secretary of Commerce. No such restriction on the Presidential power to delegate authority is provided in the conference bill. The President is given a free hand in deciding what agency or agencies should administer this program. Control over foods, food processing, food distribution and basic agricultural commodities under this Title could be lodged in the Department of Agriculture.

The bill went to the President with a recommendation by the conference committee that the President not delegate authority with respect to any one basic commodity except to a single government agency. It also was recommended that the President, if he makes extensive use of the priorities and allocations powers, establish a new agency to coordinate the activities of all federal agencies acting under this authority.

Title I also contains an "anti-hoarding" provision, which subjects businessmen or private individuals to fines or imprisonment for accumulating in excess of the reasonable demands of business, personal, or home consumption, or for the purpose of reselling at prices in excess of prevailing market prices, materials which have been designated by the President as in scarce supply.

Authority to Requisition

Title II authorizes the President to requisition equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation thereof. Three conditions are placed upon the exercise of this authority: First, that the material or facility is needed for the national defense; second, that the need is immediate and will not

admit of delay or resort to any other source of supply; and, third, that all other means of obtaining the use of the property on fair and reasonable terms have been exhausted. The President is required to determine the just compensation for the property and to pay it promptly. If the owner disagrees with the President's determination of value, 75 percent of the amount is to be paid promptly and the owner may bring suit in the Court of Claims or in any federal District Court for the remaining sum claimed within three years from the date of the award.

When real property so acquired is no longer needed for the national defense, the President is to offer the property to the original owner on the payment of fair value. In case of disagreement as to the fair value, provision is made for arbitration of the value by three appraisers. When personal property is requisitioned, and the need for such property has terminated, the President is required to make the property available to the original owner only under circumstances where such procedure is practicable and feasible. Fungibles such as canned foods and items having a fair value of less than \$1,000 need not be offered to their original owners.

Comment: Under this authority, the President would have the power, when the enumerated conditions are met, to take over industrial units or to require the delivery of any manufactured products or raw materials in civilian hands. This drastic power will undoubtedly be exercised with caution, with full opportunity given to the owner of the property to co-operate voluntarily before the power is used.

Expansion of Productive Capacity and Supply

Title III authorizes the Administration to undertake three broad programs for the financing of expanded defense production. The sum of \$600,000,000 is made immediately available to government agencies for such financing by Treasury loan. An additional amount of \$1,400,000,000 may be made available by Congressional appropriation.

Under the first of these programs, the Army, Navy, Air Force, and Commerce Departments, and any other agencies designated by the President, may guarantee loans by banks or other private lending institutions for the purpose of financing defense production, the procurement of defense materials, or the performance of defense services. Any federal agencies or Federal Reserve Banks designated by the President may act as fiscal agents for the purpose of carrying out such guarantees. The President is authorized to regulate interest rates, fees, and any other charges in connection with such guarantees.

Secondly, the President is authorized to provide for direct loans to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials.

Lastly, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials for government use or for resale. Agricultural commodities, however, may not be resold except for industrial uses or for stockpiling. When agricultural commodities are resold for such purposes, the resale price must not be less than the higher of either: (1) the current market price for such commodities, or (2) the minimum sale price established for agricultural commodities owned or controlled by the Commodity Credit Corporation.

Commitments to purchase under this authorization may include advance payments. Purchases by the government on which losses on resale can be anticipated or purchases at prices higher than the market prices currently prevailing shall be made only when such purchases are necessary to assure the availability of overseas supplies or when it is determined that the supply of such materials cannot be effectively increased at lower prices.

The President also is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the government, and to install government-owned equipment in private plants.

New agencies may be created to carry out the loan provisions of this title.

Price and Wage Stabilization

The President is authorized initially to attempt to achieve price and wage stabilization by encouraging and promoting voluntary action by business, agriculture, labor, and consumers. Such voluntary programs, when approved by the President, are exempt from the prohibitions of the antitrust laws. When voluntary action is insufficient to carry out the purposes of this title, selective price and wage controls are authorized.

The Act authorizes the President to establish wage and price ceilings either with respect to individual materials and services and to individual types of employment, or with respect to materials, services, and types of employment generally. However, a ceiling may be established with respect to an individual material or service only when the President finds that

(1) The price of the material or service has risen or threatens to rise unreasonably above the price prevailing during the period from May 24, 1950, to June 24, 1950;

(2) The price increase will materially affect the cost of living or the national defense;

(3) The imposition of the ceiling is necessary to effectuate the purposes of the Act;

(4) It is practical and feasible to impose the ceiling; and

(5) The ceiling will be generally fair and equitable to sellers and buyers of the material or service and related and competitive materials and services.

The Act provides that when the President establishes price ceilings, he shall stabilize wages at the same time in accordance with the following principles: Whenever a price ceiling is established for a particular material or service, wages shall be stabilized in the industry or business producing the material or performing the service. In stabilizing wages under this provision, the President must prohibit wage increases which he deems would require an increase in the price ceiling or impose hardships or inequities on sellers operating under the price ceiling. When price ceilings have been established for materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living, the President must impose ceilings on both prices and wages generally.

In establishing ceilings on materials (including fish and fish commodities and the marketing and processing thereof) and in stabilizing wages, the President is to give due consideration to the prices and wages which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950. If the prices and wages prevailing during this period are not generally representative because of abnormal or seasonal market conditions or for any other reason, a more representative period is to be selected. No wages, however, can be stabilized at less than that paid during the period from May 24 to June 24. All price and wage ceilings under this section must be "generally fair and equitable" and must be accompanied by a statement of the considerations involved in the issuance of such regulations or orders.

The President also is required to make appropriate provision to prevent hardships and inequities to sellers who have bona fide contracts in effect on the date of issuance of a price control regulation for future delivery of materials, in cases where seasonal demands or normal business practices within the industry necessitate contracts for future delivery.

Many provisions designed to afford special protection to producers and processors of agricultural commodities are included in the Act. No ceilings may be established for any agricultural commodity below the highest of the following prices: (1) The parity price of such commodity, or (2) the highest price received by producers during the period from May 24 to June 24, or (3) in the case of any commodity for which the mar-

ket was not active in the May 24 to June 24 period, the average price received by producers during the most representative period prior to May 24, adjusted by the Secretary of Agriculture to a price in line with the level of prices received by producers of agricultural commodities generally prevailing during the period from May 24 to June 24.

The Act further requires the President, in establishing a ceiling for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of the Act and for which different areas have different periods of marketing during such season, to give due consideration to according equitable treatment to all producers of such agricultural commodities in all areas.

Processors of agricultural commodities are protected by a proviso that ceilings on products manufactured in whole or a substantial part from any agricultural commodity must not be less than that which will enable the processor to pay the producer a price for his agricultural commodities equal to the highest price specified above and in addition permit to the processor a "generally fair and equitable margin." Ceilings on agricultural commodities or on any commodities manufactured therefrom must be adjusted from time to time to make allowances for substantial reduction in crop yields, unusual increases in costs of production, and other hazards in connection with the production of agricultural commodities.

Specifically exempted from the controls are prices and rentals for real property, margin requirements on any commodity exchange, rates or fees charged for professional services, insurance rates, and rates or prices charged by publishers or operators of radio, television, or motion picture enterprises. Common carrier or other public utility rates are also exempt with certain qualifications.

The President also is given a discretionary power to exempt any materials or services, or types of employment, when he finds that ceilings are not necessary to carry out the purposes of the Act or when such exemptions will aid the national defense.

Certain prohibitions against the use of the powers granted under this Title for the accomplishment of other purposes are included in the Act. The powers granted are not to be used or made to operate to compel changes in the business practices established in any industry, except when the President makes an affirmative finding that such changes are necessary to prevent evasion of a price control order. The Act is also not to be used to eliminate or to restrict the use of trade or brand names, or to require grade labeling of any materials, or to standardize any materials or services (unless the President determines

that no practical alternative exists for securing effective price control), or to permit the issuance of any price control orders prescribing specifications or standards, unless such specifications or standards were in general use in the trade or industry prior to the order, or their use previously required by other government agencies.

Machinery has been set up for producers and sellers to protest specific price ceilings, including a final recourse to the Emergency Court of Appeals. No specific machinery for a legal contest of wage stabilization orders is provided.

Settlement of Labor Disputes

Title V of the Act declares the Congressional intention to place primary reliance upon the parties to a labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest. To carry out this purpose, the Act authorizes the President to initiate voluntary conferences between management, labor, and representatives of the government, and to take such action as may be agreed upon in any such conference. The President is also authorized to designate appropriate persons or agencies to carry out the provisions of this title.

Under this provision, a board, commission or other agency, similar to the War Labor Board of World War II, could be established. No action under this Title inconsistent with the provisions of the Fair Labor Standards Act or the Taft-Hartley Act is authorized.

Control of Consumer and Real Estate Credit

Title VI authorizes broad powers of control over both consumer and new real estate construction credit. Controls over bank credit or other types of credit are not authorized.

Consumer credit is to be controlled by the Federal Reserve Board with the control measures following the lines of the postwar Regulation W. The Federal Reserve Board, in enforcing credit controls, is permitted to use the same powers as to investigations, injunctions, and jurisdictions as are now used by the Security and Exchange Commission.

Real estate credit control powers are given to the President, who is authorized, through any agency he desires, to regulate credit terms for any new building or any new major additions to a building. "New" construction is any construction begun after August 3.

General Provisions

Certain directives to the President to be followed in making use of the powers granted under the Act are included in Title VII, together with measures of general application. If the President allocates any material to an extent which will result in a displacement of normal distribution, he is

to do so in such manner as to make available, insofar as practicable, to each segment of business in the normal channel of distribution a fair share of such material, with due regard being given to the needs of new businesses. All rules and regulations issued pursuant to the Act must also be accompanied by a statement that consultation has been had with industry representatives and consideration given to their recommendations.

Title VII also provides for a joint Congressional Committee to be composed of five members of the Senate Committee on Banking and Currency and five members of the House Committee on Banking and Currency. The function of this "watchdog" committee is to make a continuous study of the programs authorized by the Act and to review the progress achieved in executing and administering such programs.

The Act further provides that the priorities and allocations powers, the rationing powers, and the expansion of productive capacity powers shall expire at the close of June 30, 1952, but that such powers shall be effective after June 30, 1951, only to the extent necessary to aid in carrying out contracts relating to the national defense entered into by the government prior to July 1, 1951. The price and wage stabilization powers, the control over credit, and the powers in connection with the settlement of labor disputes are to terminate on June 30, 1951. The Act itself, or any section thereof, may be terminated at any time by concurrent resolution. The President is also empowered to terminate the Act by proclamation prior to the statutory expiration dates.

TRAFFIC

More Efficient Use of Cars

Secretary of Agriculture Charles F. Brannan this week requested all shippers of agricultural commodities to load and unload boxcars promptly and to fill them to maximum capacity.

"Maximum use of boxcars by shippers of agricultural freight is imperative under present conditions," Secretary Brannan said. "Officials of the Interstate Commerce Commission and of the Association of American Railroads have discussed with Department representatives the critical shortage of boxcars that faces the country today. This shortage, now estimated at a daily average of more than 20,000 cars, will become increasingly acute as heavier movement of bulk grain gets under way. To set an example for other shippers, the Production and Marketing Administration, which handles the shipment

of grain controlled by the Commodity Credit Corporation, is loading cars to maximum capacity and trying to eliminate all unnecessary delays in loading and unloading. Observance of these measures by all shippers, together with faster turn-arounds by the railroads, will do much to 'stretch' the use of scarce equipment."

The Association of American Railroads estimates that there are now 45,000 fewer freight cars available for service than at the same time a year ago. The grain harvest, the war in Korea, the increased tempo of defense preparations, and the high overall level of freight movement have accentuated an already grave situation.

STATISTICS

Employment at All-time High

Nonagricultural employment during August reached a new record level and employment hit an all-time high during that month, it is reported by the Bureau of the Census, U. S. Department of Commerce.

Nonagricultural employment increased well beyond seasonal expectations to 54,207,000. Total civilian employment was estimated at 62,367,000 in the week ending August 12, surpassing the 1948 peak by 750,000.

"Although it was much too early for the economy to reflect the full impact of defense preparations, expanded activity due to the Korean war

undoubtedly contributed to the upturn," according to the Census report.

Canned Meat Report

The quantity of meat canned and meat products processed under Federal inspection during the four-week period, July 2-July 29, is reported by the Bureau of Animal Industry as follows:

Canned Meat and Meat Products Processed under Federal Inspection July 2-July 29, 1950 *

Canned Items	3 lbs. & over	Under 3 lbs.	Total
(in thousand pounds)			
Luncheon meat.....	21,085	11,913	32,998
Canned ham.....	7,502	488	7,990
Corned beef hash.....	267	3,357	3,624
Chili con carne.....	254	5,458	5,712
Vienna sausage.....	50	3,709	3,759
Frankfurters and wieners in brine.....	15	833	848
Deviled ham.....		597	597
Other potted and deviled meat products.....	2,921	2,921	
Tamale.....	1,845	1,845	
Sliced dried beef.....	19	311	330
Liver products.....		107	107
Meat stew.....	57	1,709	1,766
Spaghetti meat products.....	159	3,372	3,431
Tongue (except pickled).....	129	208	337
Vinegar pickled products.....	641	1,744	2,385
Bulk sausage.....		278	278
Hamburger.....	82	2,101	2,183
Soup.....	733	12,868	13,700
Sausage in oil.....	231	227	458
Tripe.....		361	361
Brains.....		230	230
Bacon.....	73	105	178
All other products 20% or more meat.....	203	2,727	2,930
All other products less than 20% meat (except soup).....	53	10,192	10,245
Total all products.....	31,533	67,660	99,193

* Columns do not add to totals shown in all cases since rounded figures are used.

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